



THE POTENTIAL IMPACTS OF VISITOR LEVIES IN SCOTLAND:

There remains a division of opinion amongst Scots about the merits of the introduction of a visitor levy. However, if assured that the income would be applied to benefit the local tourism economy, a slight majority are in favour. Without this, there remains a threat that tourists may choose to visit alternative destinations

With the 'Visitor Levy (Scotland) Bill' under consideration which, if passed, will mean that Scottish Local Authorities would be able to introduce a visitor levy in Scotland from 2026, 56 Degree Insight worked with the Scottish Tourism Alliance to investigate the views of the Scottish population on the introduction of such a tax. Questions were included in the August 2023 Scottish Tourism Index - a nationally representative survey of over 1,000 Scots - and as a similar set of questions were asked in the October survey last year, it provides an opportunity to determine whether or not public opinion has progressed over these 9 months.

1 A description of the proposed visitor levy was provided (see right) and based on this description, there remains a clear division of opinion amongst those who would oppose its introduction (48%) versus those who would support it (42%) with no significant movement in this opinion since last October. Edinburgh residents continue to be more supportive however (68% in August - up from 57% last October). Objections continue to focus on additional costs being added to domestic holidays, whilst supporters saw it as a good means of generating additional revenue to reinvest in the local area with several citing personal experience of paying local taxes abroad.

2 In October, we discovered that although some would be against paying anything at all, generally there would be a willingness to pay just over £1 per person per night for such a tax - an amount that is lower than the levels currently being considered. This has remained at a similar level some nine months later. Indeed, the current suggestions are that the levels of tax would be based on a percentage of the room rate - likely to go significantly beyond the levels stated above.

3 In the August survey, we asked Scots how their opposition or support for a visitor levy would be impacted if they were assured that the levies would go towards supporting local tourism facilities and services. If this assurance could be given, over half of Scots would be broadly supportive (56%), however just under a third would continue to be against its introduction (31%).

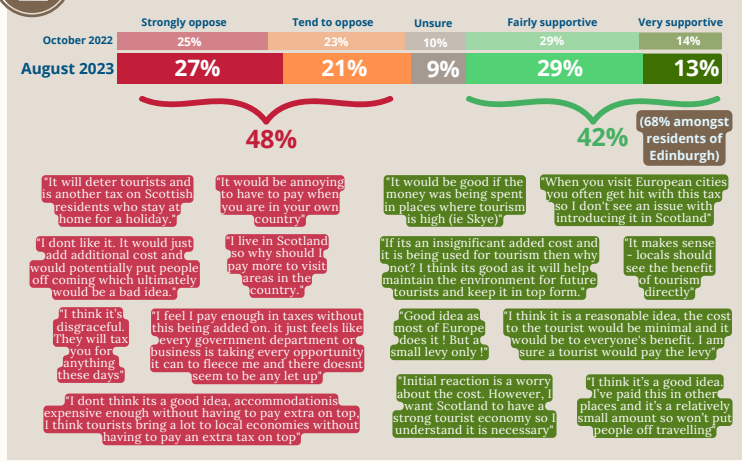
4 Last October, we discovered the scale of the potential threat that some would choose to avoid destinations with a visitor levy in place. This remains the case in August: whilst a tourist tax would not impact on the decision to visit for the majority (59%), around a third claim they would be less likely to visit that destination (33%).

5 And if tourist levies were in place throughout Scotland, 42% claim they would be more likely to consider other parts of the UK instead if such taxes were not in place there: only 13% would be more likely to consider Scotland.

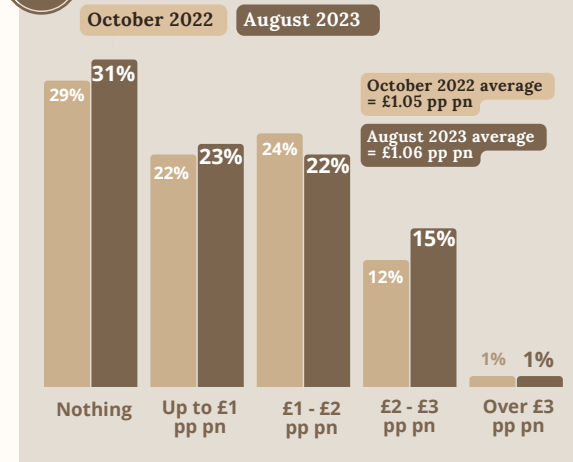
6 It is worth noting that amongst those Scots who have taken Scottish domestic holidays in 2023, attitudes towards a visitor levy are slightly more positive than across the overall population, with a greater willingness to pay and lower likelihood of a negative impact on the consideration of Scottish destinations where a levy was in place.

In summary, it remains the case that if visitor levies of the type proposed are to be introduced, clear communication of how the income would be reinvested in the local tourism economy will be required, if it is not to act as a potential barrier to taking home holidays.

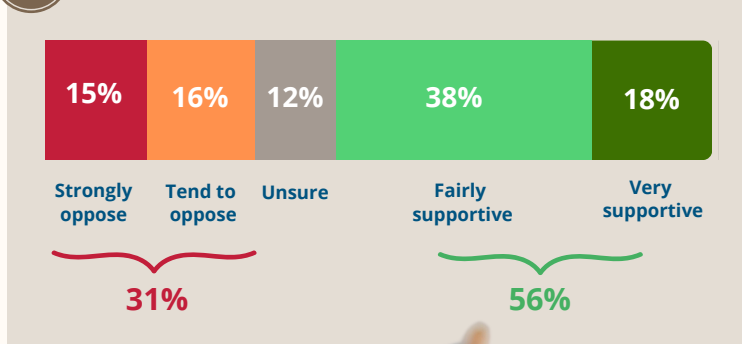
1 Extent to which a Tourist Tax would be supported by the Scottish adult population



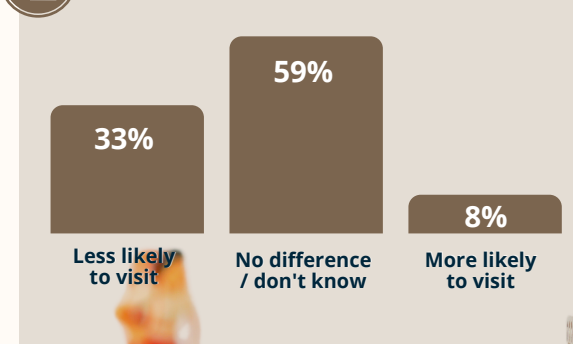
2 Amount deemed 'acceptable' for a visitor levy



3 Support/opposition if assured monies raised were spent on tourism facilities/services



4 Impact if a visitor levy was in place in a Scottish destination



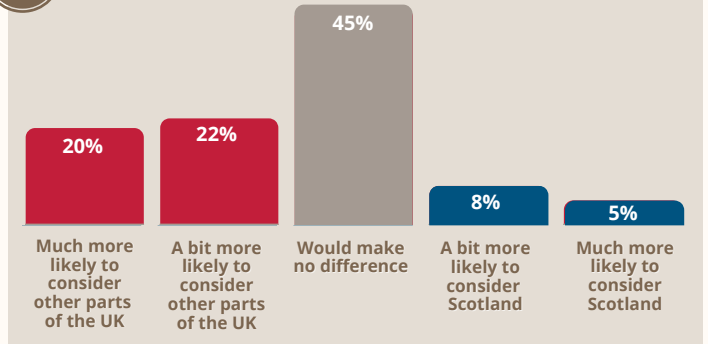
Legislation has been introduced which means that from 2026 (unless the legislation is not passed), individual Scottish local authorities will be able to introduce a Visitor Levy - also known as a 'Tourist Tax'.

This is an additional charge on people paying for overnight accommodation. It is anticipated that the revenue generated from such a visitor levy would be reinvested by local authorities into developing, supporting, or sustaining facilities and services that are substantially for people who visit the area for leisure purposes.

This is similar to how the local visitor taxes charged in hotels and in other types of accommodation across much of Europe and the US are spent



5 Impact if a visitor levy was in place throughout Scotland but not elsewhere in the UK



6 The views of Scots who have taken holidays and breaks in Scotland in 2023

- Slightly more supportive of Scottish visitor levies than the overall population:** 46% in favour vs 48% opposed - compared with 42% in favour an 48% opposed in the population
- Even more supportive if assurances that monies raised spent on local tourism:** 60% in favour vs 32% opposed - compared with 56% in favour an 31% opposed in the population
- A willingness to pay slightly more for a visitor levy than the overall population:** On average, Scottish home holiday takers would be willing to spend £1.16/night - compared with £1.06 per night across the population as a whole
- A bit less likely to be put off Scottish holidays or visit other parts of the UK if visitor levies were in place:** 28% less likely to take Scottish holidays (33% in the population as a whole)

Scotland's Viewpoint is a regular survey of 1,000+ Scots - statistically representative of the Scottish population and undertaken by 56 Degree Insight. It is conducted online over a two-day period on a quarterly basis. The results displayed here are taken from the 3rd wave of the 2023 survey which ran over the 1st-2nd August - 1,003 Scots were interviewed. For further information visit: www.56DegreeInsight.com